



8011-01

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 84689 / November 29, 2018

Order Regarding Alternative Net Capital Computation For Bofaml Securities, Inc.

BofAML Securities, Inc. (“BofAMLS”), a broker-dealer registered with the Securities and Exchange Commission (“Commission”), has submitted an application to the Commission for authorization to use the market risk standards of Appendix E of Rule 15c3-1 to the Securities Exchange Act of 1934 (“Exchange Act”).¹

Based on a review of the application that BofAMLS submitted, including an assessment of the firm’s financial position, the adequacy of the firm’s internal risk management controls, and the statistical models the firm will use for internal risk management and regulatory capital purposes, the Commission has determined that the application meets the requirements of paragraphs (a), (b), (d)(1)(i)-(iv), and (d)(2) of Appendix E.² The Commission also has determined that Bank of America Corporation, BofAMLS’s ultimate holding company, is in compliance with the terms of its undertakings, as provided to the Commission under Appendix E.

Using the market-risk standards of Appendix E of Rule 15c3-1 should help BofAMLS align its supervisory risk management practices and regulatory capital requirements more closely, and would adequately capture the material risks. As a result, this also should help to ensure that integrity of the risk measurement, monitoring and management

¹ See 17 CFR 240.15c3-1e.

² See 17 CFR 240.15c3-1e(a); 17 CFR 240.15c3-1e(b); 17 CFR 240.15c3-1e(d)(i)-(iv); 17 CFR 240.15c3-1e(d)(2).

process. The Commission, therefore, finds that approval of the application is necessary or appropriate in the public interest or for the protection of investors.

Accordingly,

IT IS ORDERED, under paragraph (a)(7) of Rule 15c3-1³ to the Exchange Act, that BofAMLS may calculate net capital using the market risk standards of Appendix E to compute a deduction for market risk on some or all its positions instead of the provisions of paragraphs (c)(2)(vi) and (c)(2)(vii) of Rule 15c3-1.⁴

By the Commission.

Eduardo A. Aleman
Assistant Secretary

³ See 17 CFR 240.15c3-1(a)(7).

⁴ See 17 CFR 240.15c3-1(c)(2)(vi); 17 CFR 240.15c3-1(c)(2)(vii).

[FR Doc. 2018-26404 Filed: 12/4/2018 8:45 am; Publication Date: 12/6/2018]